

FILED WITH LRC TIME: <u>8 A.M.</u> JUL 12 2006 <i>Emily B. Caudill</i> REGULATIONS COMPILER
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## STATEMENT OF EMERGENCY

825 KAR 1:020E

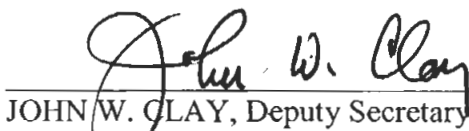
The 2006 General Assembly amended certain provisions of Chapters 351 and 352 of the Kentucky Revised Statutes regarding the imposition of monetary penalties against licensed premises for certain cited violations, certifications relating to drug-free workplaces for licensed premises, and drug and alcohol testing for miners. The new provisions go into effect on July 12, 2006. It is necessary to promulgate this emergency regulation because no regulations currently exist that would allow for petitions of appeal being filed by aggrieved parties from regulatory determinations made relating to the above-referenced statutory amendments.

An ordinary administrative regulation is not sufficient because no regulations currently exist that would allow the Department for Natural Resources, Office of Mine Safety and Licensing, or the Mine Safety Review Commission to implement the amendments to KRS Chapters 351 and 352 regarding the petitions of appeal. The statutory amendments are effective July 12, 2006, and ordinary administrative regulations would not become effective until after that date.

This emergency administrative regulation will be replaced by an ordinary administrative regulation. The ordinary administrative regulation is identical to this emergency regulation.

  
\_\_\_\_\_  
ERNIE FLETCHER, Governor

7.7.06  
\_\_\_\_\_  
Date

  
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JOHN W. CLAY, Deputy Secretary, for  
LAJUANA S. WILCHER, Secretary,  
Environmental and Public Protection Cabinet

7-5-2006  
\_\_\_\_\_  
Date

1 ENVIRONMENTAL AND PUBLIC PROTECTION CABINET

2 Mine Safety Review Commission

3 (Emergency Amendment)

4 825 KAR 1:020E. Administrative Hearings Procedures.

5 RELATES TO: KRS Chapter 13B, 351.025(1), (2), (5), (15), 351.1041(1), (7), (8),  
6 351.105(11), 351.194.

7 STATUTORY AUTHORITY: KRS 351.194(1), KRS 351.025(5).

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 351.194(1) and KRS  
9 351.025(5) requires the Mine Safety Review Commission to promulgate administrative  
10 regulations to establish administrative hearing and review procedures in accordance with KRS  
11 Chapter 13B. This administrative regulation supplements the provisions of KRS Chapter 13B by  
12 establishing procedures for the filing, evaluation, and disposition of complaints and petitions of  
13 appeal.

14 Section 1. Except as provided in Sections 2 through 26 of this administrative regulation,  
15 the provisions of KRS 13B.010 through 13B.170 shall govern all hearings conducted pursuant to  
16 KRS 351.1041(1)(a) and KRS 351.025(5).

17 Section 2. Practice Before the Commission.

18 (1) The hearing shall be adversarial and presided over by a hearing officer assigned by  
19 the commission, which may include a member of the commission or an independent hearing  
20 officer, who shall conduct the hearing in accordance with KRS 13B.050 to 13B.130. When a  
21 complaint is filed by the Office of Mine Safety and

1 Licensing, the charges and evidence against the respondent shall be filed by an attorney from the  
2 Natural Resources Legal Division of the Office of Legal Services, Environmental and Public  
3 Protection Cabinet. When a petition of appeal is filed by an individual or licensee, an attorney  
4 for the Natural Resources Legal Division of the Office of Legal Services shall represent the  
5 Office of Mine Safety and Licensing. [The charges and evidence against the respondent shall be  
6 presented by the prosecuting attorney from the Department of Mines and Minerals.]

7 (2) An individual may file a petition of appeal or a response to a complaint pro se. All  
8 other petitioners or respondents must be represented by an attorney admitted to practice law in  
9 the Commonwealth of Kentucky. [The respondent may appear pro se or by counsel.]

10 (3) ~~[Attorneys admitted to practice law in the Commonwealth of Kentucky may practice~~  
11 ~~before the commission.]~~

12 [(4)] Entry of Appearance. A representative of a party shall enter an appearance in a  
13 proceeding under these rules by:

- 14 (a) Signing the first document filed with the commission on behalf of a party;  
15 (b) Filing a written entry of appearance with the commission; or  
16 (c) With the permission of the hearing officer, orally entering an appearance in open  
17 hearing.

18 (4)[5] Withdrawal of appearance. A representative desiring to withdraw his appearance  
19 shall file a motion with the commission. The motion to withdraw may, in the discretion of the  
20 hearing officer, be denied if necessary to avoid undue delay or prejudice to the rights of a party.

21 Section 3. Parties, Intervenors, and Amici Curiae.

1 (1) Party status. A person named as a party, or permitted to intervene, is a party. For the  
2 purposes of KRS 13B.140(1), the Agency named as a party for an appeal of a final disposition  
3 from the Mine Safety Review Commission is the Office of Mine Safety and Licensing.

4 (2) Intervention. The procedure for intervention shall be governed by the provisions of  
5 KRS 13B.060. In denying a motion to intervene, the hearing officer may permit the movant to  
6 participate in the proceeding as amicus curiae.

7 (3) Participation as amicus curiae. A person may move to participate as amicus curiae in  
8 a proceeding before the commission. Participation as amicus curiae shall not be a matter of  
9 right, but of the sound discretion of the hearing officer. A motion for participation as amicus  
10 curiae shall set forth the interest of the movant and show that granting the motion will not unduly  
11 delay or prejudice the adjudication of the issues. If the hearing officer permits amicus curiae  
12 participation, his order shall specify the schedule for filing and replying to the amicus curiae  
13 memorandum, brief, or other pleading. The movant may attach its memorandum, brief, or other  
14 pleading to its motion for participation as amicus curiae.

15 Section 4. Commencement of Action or Petition of Appeal.

16 (1) An action shall be instituted by the Office of Mine Safety and Licensing by filing  
17 with the commission a verified complaint which shall contain the following information:

18 (a) The name, address, and license number, or certification identification of the alleged  
19 violator;

20 (b) If the alleged violator is a corporation, the address and license number of the  
21 corporation and the name and address of the process agent;

22 (c) The section of the statutes or administrative regulations alleged to have been violated  
23 and the minimum and maximum penalties provided for the violation;

1 (d) A statement of the factual basis for the department's action and a statement of issues  
2 involved, in sufficient detail to give the parties reasonable opportunity to prepare evidence and  
3 arguments;

4 (e) The history of the alleged violator's previously adjudicated violations before the  
5 commission or its predecessor; and

6 (f) Any supporting documents addressed in the statement~~[; and]~~

7 (2) Any individual whose certification issued pursuant to KRS 351.120(1) has been  
8 suspended by the Commissioner of the Department for Natural Resources pursuant to KRS  
9 351.120(12) for violation of drug or alcohol-free status or refusal to submit to a drug or alcohol  
10 test as authorized by statute, any applicant for certification as a new miner or initial applicant for  
11 all other job certifications authorized by statute who is denied certification by the Office of Mine  
12 Safety and Licensing due to the results of drug and alcohol testing pursuant to KRS 351.184, any  
13 licensee or license applicant whose application for certification of a drug-free workplace  
14 program has been rejected or denied pursuant to 805 KAR 11:010 or 805 KAR 11:020, or any  
15 licensed facility against whom penalties have been assessed by the Commissioner of the  
16 Department for Natural Resources pursuant to KRS 351.070(15) may file a petition of appeal for  
17 review of the suspension issued, certification denied, application rejected or denied, or penalty  
18 assessed. Said petition of appeal shall be filed within thirty (30) days of service of the notice of  
19 suspension by the Commissioner of the Department for Natural Resources, the notice of results  
20 of testing resulting in denial of certification by the Office of Mine Safety and Licensing, the  
21 notification of rejection or denial of the application for certification of a drug-free work program  
22 by the Office of Mine Safety and Licensing, or the notice of assessment of penalties by the  
23 Commissioner of the Department for Natural Resources. The petition of appeal shall include:

1        (a) A statement of the law and facts in issue in regard to the suspension or denial of  
2        certification, rejection or denial of the application, or assessment of penalties; and

3        (b) A statement of the petitioner's position as to the law and facts and a recitation of the  
4        relief sought by the petitioner.

5        [(2)](3) For any person seeking appeal from (2) above or any other authorized appeal of  
6        action by the Office of Mine Safety and Licensing, the [The] complaint or petition of appeal shall  
7        be filed with the Mine Safety Review Commission, 132 Brighton Park Boulevard, Frankfort,  
8        Kentucky. At the time of filing, the complaint or petition of appeal shall be assigned a case  
9        number, which shall be used in the future proceedings of the matter.

10       (a) Timely filing. Notwithstanding any provisions of this regulation, a petition of appeal  
11       shall be deemed timely filed when it is received by the commission within the time specified for  
12       filing except that a petition of appeal shall be deemed timely filed if it has been transmitted by  
13       United States registered or certified mail, or by other recognized mail carriers, with the date the  
14       mail carrier received the petition from the sender noted by the mail carrier on the outside of the  
15       container or envelope used for transmitting the petition, within the time allowed for filing.

16       Section 5. Probable Cause Hearing; Notice of Hearing.

17       (1) Upon receipt of a verified complaint filed by the Office of Mine Safety and  
18       Licensing, the commission shall place the complaint on its agenda for a probable cause hearing  
19       to be reviewed at the next regularly-scheduled meeting of the commission, or as soon as  
20       practicable.

21       (a) The probable cause hearing shall not be adversarial in nature. Testimonial evidence  
22       shall not be taken. The determination of probable cause shall be based upon the content of the  
23       verified complaint alone.

1 (b) If the commission finds that probable cause exists, it shall issue an order in  
2 accordance with KRS 351.194(3).

3 (c) The commission shall dismiss a complaint if it does not find probable cause that a  
4 violation has occurred. The dismissal shall be without prejudice. The commission shall notify  
5 the Commissioner and attorney of record [~~general counsel~~] for [~~of~~] the Natural Resources Legal  
6 Division of the Office of Legal Services [~~Department of Mines and Minerals~~] of its decision.

7 (2) If an order setting the matter for hearing is issued by the commission, it shall mail a  
8 notice of hearing to the following:

9 (a) The Commissioner of the Department for Natural Resources [~~Department of Mines~~  
10 ~~and Minerals~~];

11 (b) The Attorney of record [~~General counsel~~] for the Natural Resources Legal Division  
12 of the Office of Legal Services [~~Department of Mines and Minerals~~]; and

13 (c) The respondent named in the verified complaint at the address shown in the  
14 complaint.

15 (3) The notice of hearing shall be sent by mail, return receipt requested, in compliance  
16 with KRS 13B.050.

17 Section 6. Notice of Hearing regarding Petition of Appeal.

18 (1) Upon receipt of a petition of appeal, the commission shall set the matter for hearing  
19 unless the petition is deemed by the commission to be: not well grounded in fact or warranted by  
20 existing law or a good faith argument for the extension of same; filed for an improper purpose;  
21 or frivolous. It shall mail a notice of hearing to the following:

22 (a) The petitioner or counsel for the petitioner if the petitioner is represented by counsel;  
23 and

1        (b) The General Counsel of the Natural Resources Legal Division of the Office of Legal  
2   Services.

3        (2) The notice of hearing shall be sent by mail, return receipt requested, in compliance  
4   with KRS 13B.050.

5        ~~[Section 6. Code of Conduct. The commissioners shall adhere to the Judicial Code of~~  
6   ~~Conduct as required by KRS 351.1041(5).]~~

7        Section 7. Answer of the Respondent.

8        (1) The respondent shall file a response to the complaint with the commission, with  
9   service on the attorney of record for the Natural Resources Legal Division of the Office of Legal  
10   Services, within twenty (20) days of receiving the notice of hearing. The response shall:

11        (a) Set forth the defense to the complaint;

12        (b) State mitigating circumstances; and

13        (c) Admit or deny each assertion in the complaint; or

14        1. If appropriate, state that the respondent is without knowledge or information sufficient  
15   to form a belief as to the truth of an assertion; and

16        2. A statement under subparagraph 1 of this paragraph shall be treated as a denial.

17        (2) The Natural Resources Legal Division of the Office of Legal Services shall file a  
18   response to a petition for appeal with the commission, with service on the petitioner, within  
19   twenty (20) days of service of the notice of hearing. The response shall:

20        (a) Set forth the defenses to the petition; and

21        (b) Admit or deny each factual assertion in the petition; or

22        1. If appropriate, state that the respondent to the petition of appeal is without knowledge  
23   or information sufficient to form a belief as to the truth of the assertion; and



1        2. A statement under subparagraph 1 of this paragraph shall be treated as a denial.

2        [~~(2) The original of the response shall be kept on file with the commission. Copies shall~~  
3 ~~be mailed to the Commissioner and general counsel of the Department of Mines and Minerals.]~~

4        Section 8. General Requirements for Pleadings and Other Documents.

5        (1) Where to file. The original copy of all documents shall be filed with the commission.  
6 Documents filed with the commission shall be addressed to the general counsel and mailed or  
7 delivered to the Mine Safety Review Commission, 132 Brighton Park Blvd., Frankfort, Kentucky  
8 40601. Copies shall be sent to all parties in a case, and to the hearing officer assigned to the  
9 case.

10        (a) The filing of complaints, petitions of appeal, or other initiating documents shall be by  
11 personal delivery, including courier service, or by registered or certified mail, return receipt  
12 requested.

13        (b) Subsequent documents filed with the commission may be filed by first class mail,  
14 express mail, facsimile transmission, or personal delivery. Express mail includes delivery by a  
15 third-party commercial carrier.

16        (c) Filing by personal delivery, mail, or facsimile transmission, is effective upon receipt,  
17 except as otherwise permitted herein.

18        (d) A document filed by facsimile transmission shall be placed in the United States mail  
19 on the same day as transmission.

20        (2) Required information.

21        (a) Documents shall be legible and shall clearly identify the filing party by name on the  
22 cover page.

(b) Documents filed with the commission shall be accompanied by a statement setting forth the date and manner of service.

(c) Documents shall include the assigned docket number, page numbers, and the filing person's address and telephone number. Written notice of a change in the address or telephone number shall be given promptly to the commission, the hearing officer, and all other parties.

(3) Number of copies. The original document and four (4) copies shall be filed with the commission.

Section 9. Computation of Time. In computing a period of time prescribed by this administrative regulation, the day from which the designated period begins to run shall not be included. The last day of the period shall be included unless it is a Saturday, Sunday, or state holiday, in which event the period runs until the end of the next business day.

#### Section 10. Extensions of Time.

(1) The time for filing or serving a document may be extended for good cause shown. A motion requesting an extension of time shall be received no later than three (3) days prior to the expiration of the time allowed for filing or serving the document.

(2) An extension of time may be granted even though the request was filed after the designated time for filing has expired if:

(a) Exigent circumstances exist; and

(b) The requesting party shows, in writing, the reason for the party's failure to make the request before the prescribed time expired.

#### Section 11. Motions.

(1) An application for an order shall be by motion which, unless made during a hearing or a prehearing conference, shall be made in writing and shall set forth the relief or order sought.

1           (2) A party opposing a written motion shall file a statement in opposition within ten (10)  
2   calendar days after service upon the party. Unless otherwise ordered, oral argument on motions  
3   will not be heard.

4           Section 12. Withdrawal of a Pleading. A party may withdraw a pleading at any stage of  
5   a proceeding with the approval of the commission or a hearing officer.

6           Section 13. Consolidation of Proceedings. The commission or a hearing officer may,  
7   upon their own or a party's motion, order the consolidation of proceedings that involve similar  
8   issues.

9           Section 14. Hearing Sites. Each case shall be assigned a hearing site by order of the  
10   Hearing Officer giving due regard to:

11           (1) The convenience and necessity of the parties or their representatives and witnesses;

12           (2) The availability of suitable hearing facilities; and

13           (3) Other relevant factors.

14           Section 15. Prehearing Conferences. Prehearing conferences shall be conducted in  
15   accordance with KRS 13B.070.

16           Section 16. Powers of Hearing Officers. A hearing officer is empowered to act in  
17   accordance with the provisions of KRS Chapter 13B.

18           Section 17. Discovery. Discovery shall be conducted in accordance with KRS  
19   13B.080(3).

20           Section 18. Failure to Cooperate in Discovery. Upon the failure of any person, including  
21   a party, to respond to a discovery request, or upon an objection to such a request, the party  
22   seeking discovery may file a motion with the hearing officer requesting an order compelling

1 discovery pursuant to KRS 13B.080(3). For good cause shown the hearing officer may excuse  
2 an objecting party from complying with the request.

3 Section 19. Subpoenas. The commission and its hearing officers may issue subpoenas,  
4 on their own motion or on the oral or written application of a party, requiring the attendance of  
5 witnesses and the production of documents or physical evidence. A subpoena may be served by  
6 a person at least eighteen (18) years of age. A subpoena may also be served by registered or  
7 certified mail, return receipt requested, with risk of delivery on the serving party. A copy of the  
8 subpoena bearing a certificate of service shall be filed with the commission.

9 (1) A subpoena shall be enforced in accordance with KRS 13B.080(3).

10 (2) If a person fails to comply with an order to testify or with a subpoena issued by the  
11 commission, the commission may initiate proceedings for the enforcement of the subpoena  
12 pursuant to KRS 13B.080(3).

13 (3) The person requesting the subpoenas shall bear the cost of serving the subpoenas.  
14 The commission shall bear the cost of witnesses subpoenaed on its behalf.

15 Section 20. Continuance; Proceedings in Absentia. The commission shall not postpone a  
16 case which has been scheduled for hearing, absent good cause. A request for a continuance may  
17 be considered if communicated to the staff reasonably in advance of the scheduled hearing date  
18 and based upon good cause. The decision whether to grant a continuance shall be made by the  
19 hearing officer.

20 Section 21. Settlement by Informal Proceedings.

21 (1) In accordance with KRS 13B.070(3), the commission, through counsel may, at any  
22 time during the action, enter into informal proceedings with the respondent for the purpose of  
23 appropriately dispensing with the matter.

1           (2) An agreed order of settlement shall be signed by the parties and filed with the  
2 commission for final decision.

3           (3) The commission may employ mediation as a method of resolving the matter  
4 informally.

5           Section 22. Rules of Evidence.

6           (1) Receipt of evidence shall be governed by the provisions of KRS 351.194(3) and  
7 13B.090.

8           (2) Documentary evidence may be admitted in the form of copies or excerpts, and need  
9 be authenticated only to the extent that the commission is satisfied of its genuineness and  
10 accuracy.

11          (3) A tangible item may be received into evidence without the necessity of establishing a  
12 technical legal chain of custody if the board is satisfied that the item is:

13           (a) What it is represented to be; and

14           (b) In substantially the same condition as it was at the time of the events under  
15 consideration.

16          (4) The commission shall exclude evidence it considers to be unreliable, incompetent,  
17 irrelevant, immaterial, or unduly repetitious.

18          Section 23. Retention of Exhibits. Retention of exhibits shall be in accordance with  
19 KRS 13B.130. The commission or the hearing officer may permit the withdrawal of original  
20 exhibits:

21           (1) Prior to the conclusion of the hearing;

22           (2) Upon request and after notice to the parties; and

23           (3) If true copies are substituted, if practical, for the originals.

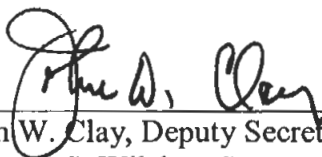
1           Section 24. Proposed findings, conclusions, and orders shall be made in accordance with  
2   KRS 13B.090.

3           Section 25. The commission shall make a decision that constitutes the final disposition  
4   of the proceedings in accordance with KRS 13B.120. If a decision is announced orally it shall be  
5   reduced to writing. An order by the commission approving a settlement proposal is a final  
6   decision of the commission.

7           Section 26. Ex Parte Communications. Prohibited ex parte communications are  
8   established in KRS 13B.100 (28 Ky.R. 1949; Am. 2377; 2589; eff. 6-14-2002.)

In re: 825 KAR 1:020E (Pages 1-13)

7-5-2006  
Date

  
\_\_\_\_\_  
John W. Clay, Deputy Secretary, for  
LaJuana S. Wilcher, Secretary,  
Environmental and Public Protection Cabinet

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person: Holly McCoy

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes an administrative hearing and review procedure for the Mine Safety Review Commission in accordance with KRS Chapter 13B.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to implement the provisions of KRS 351.194(1) and KRS 351.025(5) relative to establishing procedures for filing, evaluation and disposition of complaints and petitions of appeal filed by aggrieved parties.

(c) How this administrative regulation conforms to the content of the authorizing statutes: This administrative regulation supplements the provisions of KRS Chapter 13B in furtherance of the Mine Safety Review Commission's statutory duties set forth in KRS 351.1041(1)(a) to conduct hearings and issue orders regarding licensees, coal operators and other persons involved in the mining of coal.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation establishes procedures for filing, evaluation and disposition of complaints and petitions of appeal filed by aggrieved parties.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change the existing administrative regulation: This amendment provides for the filing of a petition of appeal with the Mine Safety Review



Commission by individuals or licensees who are aggrieved by a determination of the Office of Mine Safety and Licensing or the Commissioner of the Department for Natural Resources regarding miner certification, suspensions or denials, licensee penalty assessments, and licensee application rejection or denials.

(b) The necessity of the amendment to this administrative regulation: This amendment was necessitated by new statutory mandates relating to drug and alcohol testing of certified miners or applicants for miner certification and penalties for violations of roof control and ventilation plans in underground mines by licensed facilities.

(c) How the amendment conforms to the content of the authorizing statutes: This administrative regulation supplements provisions of KRS Chapter 13B in furtherance of the Mine Safety Review Commission's statutory duties set forth in KRS 351.1041(1)(a) to conduct hearings and issue orders regarding licensees, coal operators or other persons involved in the mining of coal.

(d) How the amendment will assist in the effective administration of statutes: This administrative regulation establishes procedures for filing, evaluation and disposition of complaints and petitions of appeals filed by aggrieved parties before the Mine Safety Review Commission.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This regulation will affect applicants for miner certification, certified miners, applicants for a license and licensees of mining facilities.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: This amendment provides a method for aggrieved parties to seek administrative review of regulatory determinations. Aggrieved parties have thirty (30) days to file a petition of appeal seeking relief from a regulatory determination to the Mine Safety Review Commission. The petition of appeal shall include a statement of law and facts in issue to the suspension or denial of certification, rejection or denial of the application, or assessment of penalties. The petitioner shall also include a statement of the petitioner's position as to the law and facts and a recitation of the relief sought by the petitioner.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): No direct costs are associated with the filing of a petition of appeal. Individuals that file a petition of appeal may or may not elect to obtain legal representation at their expense; corporate entities must be represented by legal counsel.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The benefit to the petitioners will be the opportunity for due process.

(5) Provide an estimate of how much it will cost to implement this administrative regulation:

(a) Initially: There will be no increase in cost to the Commonwealth associated with the implementation of this amendment.

(b) On a continuing basis: No increase in cost.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: There will be no additional costs incurred in implementing this amendment.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in funding.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This amendment does not increase any fees

(9) TIERING: Is tiering applied? No, tiering does not apply to this regulation as the individuals and licensees will be treated the same.

## FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

825 KAR 1:020

Contact Person: Holly McCoy

1. Does this administrative regulation relate to any program, service, or requirements of a state or local government (including cities, counties, fire departments, or school districts)? Yes  
X No\_\_\_

2. What units, parts or divisions of state and local governments (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Office of Mine Safety and Licensing, the Kentucky Mine Safety Review Commission and the Natural Resources Legal Division of the Office of Legal Services.

3. Identify each state and federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. This regulation is necessary as directed by Senate Bill 200 and House Bill 572 of the 2006 General Assembly to implement the provisions of KRS 351.194(1) and KRS 351.025(5) regarding establishment of administrative hearings procedures.

4. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? The appeal process contemplated in this regulation will not generate revenue.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? Same as (a) above.

(c) How much will it cost to administer this program for the first year? The number of administrative hearings may increase, but can be incorporated into current operations of the agency without additional staff or resources.

(d) How much will it cost to administer this program for subsequent years? Unchanged from the first year.